

Agency 107

Washington State Health Care Authority**Recommendation Summary**

Dollars in Thousands

	Annual FTEs	General Fund State	Other Funds	Total Funds
2005-07 Expenditure Authority	277.3		628,032	628,032
Supplemental Changes				
Delayed and Reduced Prescription Drug Project Expansion	(.8)		(600)	(600)
Flexible Spending Account Adjustment			(346)	(346)
Health Information Technology Grant			500	500
Health Assessments			450	450
High-Value Health Plan			735	735
Centralize Evidence-Based Medicine #	2.0	427	811	1,238
Pension Plan 1 Unfunded Liabilities			117	117
Classification Revisions			(4)	(4)
Technical Corrections				
Central Service Agency Charges			55	55
Subtotal - Supplemental Changes	1.3	427	1,718	2,145
Total Proposed Budget	278.6	427	629,750	630,177
Difference	1.3	427	1,718	2,145
Percent Change	0.5%	100.0%	0.3%	0.3%

SUPPLEMENTAL CHANGES**Delayed and Reduced Prescription Drug Project Expansion**

The 2005-07 Biennial Budget provided two staff positions, one at the Health Care Authority (HCA) and one at the Department of Social and Health Services' (DSHS) Medical Assistance Administration (MAA), to increase the number of drug classes scheduled to be reviewed and adopted for the statewide Preferred Drug Project. Net MAA savings of \$6.9 million were assumed. During the interim, staff found that additional reviews will outweigh the savings to be gained. Since only two additional classes of drugs are determined feasible, the savings from the expansion will be less. The reduced project scope eliminates the need for the full staff addition provided in the original budget. (General Fund-Federal, Health Services Account-State)

Flexible Spending Account Adjustment

Flexible spending account administrative costs will be paid for from the nonappropriated Medical Flexible Spending Account, established in the 2005 legislative session. The \$346,000 that was appropriated for this purpose in the Health Care Authority Administrative Account has not been allotted for expenditure and is removed. (State Health Care Authority Administrative Account-State)

HUMAN SERVICES - OTHER

Health Information Technology Grant

The Health Care Authority is directed to develop pilot grants to provide incentives related to reimbursement, administration, or quality to providers who adopt health information technologies. The pilots should include criteria requiring that systems be designed to share information. This item contributes to the Governor's five-point strategy to improve health and reduce costs by advancing the use of information technology. Funds are transferred from the Public Employees' and Retirees' Insurance Account 2005-07 set-aside for quality initiatives. (State Health Care Authority Administrative Account-State)

Health Assessments

An on-line health assessment tool will be made available to allow employees to compare their personal health information with local and national data, resulting in recommendations of programs and actions most likely to improve individual health. This item contributes to the Governor's five-point strategy to improve health and reduce costs by emphasizing prevention and wellness. (State Health Care Authority Administrative Account-State)

High-Value Health Plan

A new, high-value health plan will be developed for the public employee medical benefits options beginning January 1, 2007. The plan will be designed to emphasize the Governor's five strategies for improving health and containing costs including: evidence-based medicine, consumer education and wellness, management of chronic care, access to information about cost and quality, and use of electronic data. It requires the approval of the Public Employees' Benefits Board. (State Health Care Authority Administrative Account-State)

Centralize Evidence-Based Medicine #

The Governor has developed a five-point strategy to achieve her health care goals of improving quality and containing costs. A primary strategy identified is an increased emphasis on evidence-based health care and a centralized evidence-based medicine system. The system will promote the purchase of health interventions and technologies that have been shown, through scientific and clinical reviews, to be safe and achieve results. A Washington State Committee will receive reviews from evidence-based practice centers, analyze the information, and make recommendations to the state's health purchasing agencies. Participating agencies will be DSHS's Medical Assistance Administration, Labor and Industries, the Health Care Authority's Uniform Medical Plan, the Department of Corrections, and the Department of Veterans' Affairs. (General Fund-State, General Fund-Federal, Medical Aid Account-State, Health Services Account-State, Health Care Authority Administrative Account-State)

Technical Corrections

Technical adjustments are made to the funding sources for Program Support and the Shared Services, Basic Health (BH) Administration, and Health Care Policy (HCP) programs. These adjustments better align fund source allocations to program workloads, and update the federal match available for Medicaid Basic Health Plus accounts.